

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

In Re:

Residential Capital, LLC, et. al.

Debtor(s)

APPLICATION FOR RELIEF FROM
THE AUTOMATIC STAY

Chapter 11

Bankruptcy Case: 12-12020

Hearing Date: 08/14/2012 @ 10:00 AM

Judge Martin Glenn

***Application of Household Finance Corporation, III (hereinafter also referred to as
"HOUSEHOLD") For Relief from the Automatic Stay under 11 U.S.C. UNDER §362(d) (and 11
USC §1301) With Respect to Property: 1931 Reo Road, Lansing MI, 48910. (the "Property")***

Household Finance Corporation, III, through its Counsel, Stern & Eisenberg PC, respectfully requests the Court grant its Application/Motion for Relief with regard to the Property and in support thereof respectfully represents as follows:

1. Movant is Household Finance Corporation, III with a place of business located at 2929 Walden Avenue, Depew, NY 14043.
2. Borrower(s) are Cordell Reilly and Constance Reilly (hereinafter "Borrower(s)"), adult individuals whose last-known address is 1931 Reo Road, Lansing MI, 48910..
3. On 1/27/2003, Borrower(s) signed a note and mortgage in the principal sum of \$62,000.00, evidencing a loan from Household in the same amount, secured by the Property, as evidenced by a mortgage duly recorded at the Recorder of Deeds for Ingham County on 3/3/2003 in Document No. 2003-04485.
4. Debtor, Residential Capital, LLC (et. al.) is the holder of a lien dated 6/17/2005 at docket number 04-5298-GCD in the amount of \$8,598.50 representing a junior lien in the property.
5. Household Finance Corporation, III, instituted foreclosure proceedings with counsel, Trott & Trott, PC providing representation in Michigan.
6. Thereafter, as a result of the Debtor's bankruptcy, Household's proceeding was stayed since Debtor holds a junior lien interest in the Property.
7. Debtor filed the instant Chapter 11 Bankruptcy on Monday, May 14, 2012 and as a result, any State Court proceedings were stayed.
8. It is believed and therefore averred that Debtor(s) filed the instant bankruptcy to address concerns other than the enforcement of HOUSEHOLD's senior lien in the Property, notwithstanding, the automatic stay applies.

9. HOUSEHOLD holds a mortgage in the original principal amount of \$62,000.00 for which there is a current balance of \$85,963.34 with arrears due in excess of \$24,800.00.
10. In addition, Household Finance Corporation, III has incurred counsel fees and costs in association with Debtor(s)' default and this motion for \$826.00 plus any additional fees incurred.
11. Debtor has not, to this date, taken any position with the foreclosure on the Property.
12. A copy of the proposed Order seeking relief is attached as Exhibit "A" and hereby incorporated by reference.
13. No such prior application has been made.
14. Movant requests that the stay of Bankruptcy Rule 4001 (a)(3) and the requirements of Rule 3002.1 be waived.

WHEREFORE, Movant, Household Finance Corporation, III respectfully requests this Court to grant the appropriate relief under 11 U.S.C. §362 (and 11 USC §1301) from the automatic stay as set forth in the proposed order together with such other relief as deemed just and appropriate.

Respectfully submitted,

STERN & EISENBERG, PC

By: /s/ Len M. Garza, Esq.
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DATE: 09/17/2012